

Trade and Well-being Proposed Indicators

GN H.5 Impact of Trade on Well-being, Labor, and Productivity

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Overview

- TT-ITS GNH.5 Sub-Group
- Manual on principal indicators - 1st & 2nd volumes
 - Micro Data Linking (MDL) and Data Sources
- Trade's Impact on well-being, labor and productivity
 - Proposed Indicators
- Experimental Estimations and Global Consultation
- Questions for the committee

Members of the TT-ITS H.5 Sub-Group

Organization	Name(s)
UNCTAD (co-chair)	Anu Peltola
U.S. Census Bureau (co-chair)	Cody Hill
Banco Central de Costa Rica	Rigoberto Torres-Mora
Bank of Jamaica	Esmond McLean
BPS Statistics Indonesia	Atika Nashirah Hasyati; Bambang Supriono; Rifa Rufiadi
New Zealand	Phil Mellor
Statistics Netherlands	Lico Hoekema
UNCTAD	Onno Hoffmeister; Olga Solleder; Mariyam Raziyeva; Daniel Ker; Katalin Bokor
UNDP	Yanchun Zhang; Yu-Chieh Hsu
UNIDO	Dong Guo

Manual on principal indicators

- The 1st Volume focuses on business statistics of the following areas: (endorsed by UNSC 2022)
 - Indicators on Business Dynamics, Demography and Entrepreneurship (1-16)
 - Indicators on Globalization and Digitalization (17-38)
 - Indicators on Wellbeing and Sustainability (39-56)
- The 2nd Volume on trade statistics: (aimed for UNSC 2024)
 - Indicators on “vertical integration” (pure trade)
 - Indicators on “horizontal integration” (trade and other policy domains)
- Some overlaps are possible

Micro Data Linking (MDL) and Data Sources

- Statistical Business Registers (SBR)
- Administrative Records
- Structural Business Statistics (SBS)
- Combined Employer-employee dataset
- Structural Earning Surveys (SES)
- Labor Force Surveys (LFS)
- Annual Business Survey (ABS)
- Health Statistics Registers
- Input/Output tables from National Accounts

Importance of International Trade

- 2030 Agenda recognize international trade as an important means to achieve the Sustainable Development Goals (SDG)
- Trade is an engine for inclusive economic growth and poverty reduction
- Trade impacts economic well-being through its effects on employment, and income opportunities
- Trade impacts social well-being through its effects on access to goods and services, and existing inequalities

Trade and Well-being

- The effects of trade on well-being are not only material but also social and environmental
- COVID-19 highlighted the importance of access to health-related goods and services
- Trade also influences existing inequalities, both positively and negatively
- Proposed Indicators
 - Trade participation or trade intensity of women/men owned businesses
 - Share of imported goods in consumption by household type
- Proposed Conceptual Update
 - Measuring gender in addition to sex in trade statistics

Trade and Labor

- Trade is regarded as a source of economic growth
- Exports can increase income and returns and enable higher volumes of production
- Imports can increase knowledge, diversify client base and provide higher wages
- Trade affects the types of jobs available, promoting labor mobility, and the skills workers need
- Proposed Indicators
 - Employment and types of jobs by industry and trading status
 - Job creation/destruction as a result of international trade

Trade and Productivity

- Productivity is a key source of economic growth and competitiveness
- Trade has been found to increase the average firm productivity
- Exposure to imports and exports raises the productivity threshold for business survival
- Internationally comparable indicators of productivity are central for assessing economic performance
- Proposed Indicators
 - Labor productivity levels by trade openness of countries
 - Labor income and productivity by trading status and industry

Experimental Estimations for Principal Indicators

- Require countries and international organizations to help produce experimental estimations for new Principal Indicators
 - Starting: October 1st, 2022
 - Ending: March 31st, 2023
- Participation in global consultation
 - Starting: November 1st, 2022
 - Ending: March 31st, 2023

List of Proposed Principal Indicators

• Productivity Related

- Labor productivity levels by trade openness of countries
- Contributions of labor and capital inputs to growth by trading status and industry
- Productivity in small and medium enterprises (SMEs) and large firms by trading status
- Link between productivity and sustainability
- Labor income and productivity by trading status and industry
- Productivity impacts of shocks, such as the COVID-19 pandemic, transferred via trade
- ICTs and e-commerce and productivity

• Labor Related

- Employment and types of jobs by age, skills, education, ethnicity, trading status and industry
- Trade-supported employment and global value chains
- Wages and salaries by age, skills, education, ethnicity, trading status, industry
- Employment and wages supported by trade in services
- Impacts of trade shocks to employment and income by age, skills, education, ethnicity
- Job creation/destruction as a result of international trade

• Well-Being Related

- Income inequality of employees, entrepreneurs or self-employed by age, sex, ethnicity, education, rural/urban etc.
- Employment share of woman and men by age, education, type of company, owner
- Types of jobs held by women and men by age, education, type of company, owner
- Gender pay gap by type of job, status in employment, age, education, type of company, owner
- Trade participation or trade intensity of woman/men owned businesses
- Affordability of imported and domestic goods
- Share of imported goods in consumption by household type
- Product diversification of imports
- Consumption of traded services by type
- Trade in healthy-diet food items
- Emissions from transport related to global trade by type of product
- Share of plastics trade in total trade
- Share of waste/waste products in total trade
- Share of creative goods and services in imports

Conclusion

- Manual on Principal Indicators 2nd Volume
 - Indicators on “horizontal integration” (trade and other policy domains)
- Micro Data Linking (MDL) and Data Sources
 - Linking Statistical Business Registers (SBR) with other domains
- Importance of International Trade
 - Proposed Principal Indicators for Impact of Trade on Wellbeing, Labor and Productivity
- Experimental Estimations and Global Consultations
 - Starting October 1st, 2022

Questions

- Does your national statistical system already produce well-being, labor and productivity related indicators, if not is there demand for this data by shareholder, users or policy-makers?
- Is the six-month timeframe for the experimental estimations phase enough time to produce these proposed indicators?
- Would it be beneficial to develop a maturity assessment tool for countries to plan improvements and fill data gaps in wellbeing, productivity and labor related trade data?

Thank you!

Anu Peltola

Acting Director of Statistics

UNCTAD

anu.peltola@unctad.org

Cody Hill

Statistician

U.S. Census Bureau

cody.hill@census.gov